

The logo features the letters "USDA" in a bold, blue, sans-serif font, with a green stylized wave graphic below it.

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MISSOURI Rural Development

MULTI-FAMILY HOUSING NEWS

Volume: 2006

June



OUR NEW ADDITION

Rachel Hartman, who has been processing all the payments and tenant certifications in the state by herself for several weeks, is happy to be joined by Janet Bottoms from Paris, Mo. Janet recently moved from Maryville,

Mo. where she was a program technician for the Farm Service Agency. She previously worked for Rural Development in 1995 in the Paris Office prior to relocating to Maryville in 2003. Janet is married to Tracy Bottoms, who will be teaching and coaching in Paris. She has three children, Spencer Woods, 17; Erin Woods, 14; and a step-son Connor who is 6. Janet is looking forward to working with you.

This now means that we are back to two payment processors to assist you with the process. **Rachel** can be reached at (573) 876-9307 or by email at Rachel.hartman@mo.usda.gov. Rachel will be mainly assigned to Areas 1, 2, and 3 based on the new realignments explained below. **Janet** can be reached at (573) 876-9330 or by email at janet.bottoms@mo.usda.gov. Janet will be assigned to Areas 4, 5, and 6. However, if either processor is not available, the other one will be available to answer your questions.

NOTE: YOU MAY HAVE A NEW SERVICING OFFICE!

As most of you are aware, Rural Development has undergone a realignment of offices. This reorganization may or may not have changed your servicing area office. To verify the office that will not be servicing your complex click on <http://www.rurdev.usda.gov/mo/ao-list.htm>. This will provide a list of the 6 new Areas in the state and the counties that are serviced by each area. Click on the number of the area where your county is shown and the next screen will provide you with all of the contact information.

NEW REGULATIONS TRANSITION

We continue to receive changes and clarifications from National Office on the new regulations. A summary of some of the changes that affect all of you include:

- ✓ Clarified that childcare expenses are for children under the age of 13
- ✓ Revised to show "Acceptable Income Verification Sources" and require self-employed individuals to submit Federal income tax form unless exempt
- ✓ Attachment 6-A (this is the list of what is included as income and what is not), replaces the existing attachment with language as amended. This must be implemented for all new applicants and, at recertification, for existing tenants.
- ✓ Guidance to borrowers on adopting a late fee schedule for overdue rental payments, - must be in their management plan, must have 10 day grace period, may not exceed higher of \$10 or 5% of tenant's gross tenant contribution
- ✓ Exhibit 7-8, information needed to document rent or utility allowance change, removed the requirement for borrower to submit actual income and expenses to date and comparable market rents
- ✓ Added statement that Rural Development no longer finances mixed projects
- ✓ Corrected the requirements that projects with 8 or more units must use MINC and that projects with less than 8 units may submit hard copies
- ✓ Revised HB letter 201, LOPE Letter, to allow tenant 120 days to use the rental assistance

DELAY IN CITIZENSHIP ELIGIBILITY REQUIREMENTS

When the new 7 CFR 3560 was published, citizenship eligibility included the requirement that only those who are a United States citizen or qualified alien could reside in Rural Development financed complexes. However, implementation of selected sections of the final rule regarding citizenship eligibility have been delayed due to the fact the procedures unnecessarily imposed more requirements than those required HUD procedures for similar programs under 42 U.S.C. 1436a. The regulatory references regarding citizenship that have been delayed are:

- Sec. 3560.152 Tenant Eligibility
- Sec. 3560.154 Tenant Selection
- Sec. 156 Lease Requirements
- Sec. 3560.254 Eligibility for Rental Assistance

Therefore, at this time, illegal aliens may reside in your complex.

Now you may ask “since illegal aliens are allowed to reside in Rural Development financed properties, how are they entered into MINC since you have no Social Security Number?” MINC allows for you to enter all zeros where the Social Security Number should be and the system will assign a number for them. It will probably start with an “A” followed by numbers. Please note that you must utilize this number throughout this tenant’s occupancy so future transmissions will be accepted.

For questions on any of the above changes, please feel free to contact your local Rural Development Servicing Office.

MANAGEMENT FEE ANNUAL REVIEW

It will soon be a year since the state management fee of \$36 has been in effect. National Office reviews all states fees on an annual basis. We understand that National Office will handle the review and determination of the new fee beginning for 2007 by utilizing the same method that HUD uses for rent increases. This is called Operating Cost Adjustment Factor (OCAF). Basically, a factor is published for each state in the Federal Register. This factor will be applied to the current management fee in effect to determine the increase. For example: \$36 is the current state management fee times the factor for Missouri which is 3.6% equals \$1.30. Add \$36.00 and \$1.30 and the new state management fee for 2007 would be \$37.30 per occupied unit. National Office has advised we should be receiving something official by July and we will share that information when it is received with all of you.

ARE YOU READY FOR A VIST FROM RURAL DEVELOPMENT?

The PowerPoint presentation recently presented at the MOCARH meeting on “How to Prepare for a Supervisory Visit” has been posted to the RD website and is available for download to your computer at <http://www.rurdev.usda.gov/mo/mfhpage.htm>. This will take you to the MFH website. You will see the link to this document. If you do not have Microsoft PowerPoint on your computer you can download the Powerpoint Viewer 2003 from the Microsoft website or contact your local Rural Development Office for a copy. This will be a valuable tool for you to prepare for a Supervisory visit.

**PLEASE SHARE OUR NEWS
WITH YOUR SITE MANAGERS
AND MAINTENANCE
PERSONNEL**

AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE

We have had some confusion in the collection of unauthorized assistance. It is important that the property manager, site manager, or anyone else involved in the collection of rents, be aware of what the tenant is paying back so they will know how to distribute the funds. The debt created by unauthorized rental assistance being provided to a tenant due to the tenant’s failure to report income, or the overage which was not paid due to tenant failure to report income is considered unauthorized assistance and is to be paid back to Rural Development. If a tenant owes monies to the complex due to tenant failure to pay his/her monthly rent and additional monies are collected from the tenant, then this is considered “back rent” and may be kept by the complex.

We would also encourage you to keep a ledger sheet or some type of monthly written record when you receive payments from tenants for unauthorized assistance. Often we get word from a complex that a tenant has satisfied the unauthorized assistance debt but our records do not agree. It saves time for both parties when an investigation into the discrepancy is made and the property manager has the payment information available. Likewise, Rural Development may have made an adjustment on the project worksheet when no payment was received by the complex (you are required to notify RD when no payment was received from the tenant so an adjustment will not be made). We urge you to compare the project worksheet adjustments to your payment records to alleviate this type of discrepancy.

PAYMENT CENTER HIGHLIGHTS

WHAT’S THE BIG SECRET?

Since most of you are transmitting information to a government site, security becomes important, thus the requirement for eAuthentication. By now all of you should have received a letter from your servicing office regarding the requirement that all users utilizing the Management Interactive Network Connection (MINC) system (holders of a “TP” or “MA” ID), receive Level 2 Access no later than August 15, 2006. Below we have tried to simplify the instructions for what you are required to do prior to the deadline:

1. Log onto the website: <http://www.sc.egov.usda.gov>.
 - A. Choose ‘Register for a USDA ID and Password’
 - B. Choose ‘Create An Account Page’
 - C. Choose ‘Level 2 Access’ and complete the ‘Create an Account’ page information (make sure your name matches what shows on your Government Issued Identification [State Drivers License, State Photo ID, Passport or US Military ID])
 - D. Submit

2. You will receive a verification email which will provide you with log-on instructions. You must follow the instructions in the email to activate your account within seven (7) days of receipt or you will have to repeat the above steps again.
3. You must go to a USDA Service Center (refer to <http://www.sc.egov.usda.gov> [find a service center] for the closest center near you). Please be sure to call ahead to make sure an employee will be there who has the authority to complete this step (you should ask if anyone there has Local Registration Authority who can complete an authentication).

NOTE: YOU WILL BE REQUIRED TO PRESENT YOUR GOVERNMENT ISSUED IDENTIFICATION. REMEMBER, THE NAME ON THE CARD MUST MATCH EXACTLY WHAT HAS BEEN INPUT INTO THE SYSTEM IN STEP 1C OR YOU WILL NOT BE AUTHENTICATED.

4. Once you have completed step 3, there will be a link on the Management Agent page and the MA User page called Associate eAuth ID. When you select this link, you will be prompted to login with your eAuthentication ID and password. You should then receive a message stating that your ID has been successfully associated to your user ID. You will need to remember this eAuthentication ID and password as you will be required to utilize it when logging into MINC after August 15, 2006, (along with your current "TP" or "MA" ID and Password).

If you should have any questions regarding these steps, please do not hesitate to contact your local service center.

MINC REMINDERS!

As of February 24, 2006, every complex with 8 or more units should be using MINC to transmit their certifications. The project worksheets are available for you to review and print under the project worksheet button on MINC. Due to this fact, our office will no longer be mailing out the project worksheets. If someone transmits for you, they can print off a copy of the project worksheet after the 20th of the month.

A copy of the pre-released (unofficial) project worksheet is available via MINC. After signing on under the MA user, go to Project worksheets, click on the project name, and there will be a preview of the pre-released worksheet

for review. Expired certifications, rental assistance (RA) that needs to be assigned, and unused RA can be reviewed. Our office will no longer be sending out expired certification reminders since you are able to view this on the pre-released project worksheet. This pre-released worksheet is for review only. This unofficial or pre-released copy of the worksheet will not be accepted if sent with the payment.



Brenda Edgar, Farmington Area Office, and Eileen at the recent MOCARH meeting

And the Non-Profit Site Manager of the Year Goes To.....

EILEEN WRIGHT

The Missouri Council for Affordable Rental Housing recently recognized **Eileen Wright** of Ben-Nor Apartments in Farmington, Missouri

as the 2006 State Site Manager of the Year. Eileen manages 120 elderly units with 48 units of rental assistance. Eileen has been the site manager for over 6 years and this is the second time that this complex has been the recipient of the State Site Manager of Year Award. She averages a 100% occupancy – I would say that is pretty much EXCELLENT! Eileen goes the extra mile by assisting her tenants with obtaining discounts on phone service, obtaining help for home health care, Meals on Wheels, etc. Congratulations Eileen!

Other winners recognized were: **Ellen Hodge** of Green Castle Rural Rental Housing, **Susan Blodgett** with LaPlata Rural Rental Housing, **Mick Vogt**, manager of Grand River Senior Housing, Inc., and **Robert Butterfield** with Seneca Seniors and Seneca Apartments. The Limited Profit Winners were: **Curt Burney** with Orange Blossom Apartments and Platte Landing, **Bob and Becky Bowen** with Hannibal Apartments, Kirksville Apartments and New London Apartments, **Sue Pfeiffer** with Garden City Family Housing and Harriensville Family Housing, **Patricia Palmer** with 8 complexes located in Lutesville, Fisk, Grandin, Qulin, Greenville and Naylor, and **Sharon Robards** who manages 4 properties located in Poplar Bluff.

For more than 10 years the Missouri Council for Affordable Housing has recognize Site Managers of rental housing in Missouri. If you would like more information about the Missouri Council for Affordable Housing, please contact A.C. Lasher, Jr., President at P.O. Box 339, King city, MO 64463, (660) 535-4305 or Pat Bess, Executive Director, 503 E. Nifong Blvd. #110, Columbia, MO 65201, (573) 499-4445.